

Licensing, Interconnection & Price Regulation

11 - 15 January 2010
Nairobi, Kenya



COMMONWEALTH
TELECOMMUNICATIONS
ORGANISATION

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Overview

A one-week highly interactive workshop designed to challenge the status quo in terms of the existing regulatory regime, costing frameworks and licensing environment in the context of the emergence of converged networks and services.

The workshop has been designed to provide participants with:

- An understanding of the significant trends, policies and regulatory reforms that are taking place in Europe and elsewhere
- Insight into key issues in implementing a governance that can recognise new applications and enabling technologies and adopt a regulatory regime to establish a level-playing field
- Insight into the Kenyan regulatory regime which is fast evolving to establish itself as a model for regulatory reform in the rest of Africa, the challenges it faces, emerging best practice and regulatory changes to support trends in consumer demands and technological changes
- Analysis of global practices of unified licensing, pricing, and consumer protection.
- Analysis of best practices to support harmonisation of rates for converged services including the provision of content in fully interconnected fixed and wireless networks

For more programmes and courses run by the PDT contact us at:
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Course programme may change due to unforeseen circumstances

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Learning outcomes

- Examine licensing in a converged environment with particular emphasis on network technology convergence within emerging and transitional economies including the Kenyan context as a base line
- Review the current and emerging trends in Europe and select benchmark countries with a view to compare, contrast, and identify gaps that merit further study and adoption by CCK Kenya
- Analyse emerging drivers for change in regulatory governance and licensing in a converged environment
- Examine licensing types that will make economic sense in a converged environment
- Study current and emerging best practices to implement transparent forward-looking pricing frameworks to support innovation, competitiveness and reduced consumer rates for telephony and emerging applications
- Examine the strategic questions in terms of what the future of a connected information society look like and how we should prepare our overall ICT strategy and related policies to become a global leading knowledge society.

Key objectives

- Describe impact of convergence on telecommunications networks and services in a multi-vendor supply environment (interconnection of many suppliers of services, networks and content).
- Determine the need for licensing of converged telecommunications services.
- Review emerging telecom policies and regulatory reform that is emerging given the changing market environment characterised by the convergence paradigm (the European telecom policy reforms adopted by the EU to support the “ubiquitous information society”)
- Examine the best licensing practices for interconnection in a converged multi-operator, multi-platform telecommunications environment in selected market environments (e.g. EU, Canada, and Malaysia)
- Identify methods for regulating interconnection prices and determining interconnection costs under a unified licensing framework
- Examine emerging network costing methodologies being adopted to support harmonisation of costs to end users in a competitive market
- Develop a practical implementation plan for transitioning to unified licensing regime in Kenya

Who should attend

- Telecom regulatory staff working on policies, costing, licensing and emerging networks
- Engineering, marketing, and regulatory staff from competitive carriers for fixed and mobile networks
- Senior management from ISPs
- Telecom staff representing major customers
- Consulting firms, brokers and value added service providers

Learning environment

Traditional classroom including collaborative learning. Use of presentations, group learning, class exercises, case studies and problem solving. Unlike other workshops, this workshop has been crafted to challenge participants to think of policy and regulatory solutions most applicable to support the emerging telecom and ICT environment. Participants will be required to participate to discuss the existing regulatory governance in Kenya, review emerging global trends in regulatory reform, identify gaps, and discuss options and solutions for change.

Pre-requisites

Participants will be provided with a set of pre-readings on trends and best practices on the emerging market environment relative to ICT policies, regulatory models, licensing frameworks and costing methodologies.

Course content

General issues

- Convergence and its impact on telecommunications
- “Level playing field” for competition
- The need for control in public interest by most countries through licensing
- Regulation in licensing by government authorities and in the context of privately operated carriers holding franchises or concessions
- Allocation of scarce resources in a converged environment
- Opportunities to license to obtain government revenue

Emerging telecom regulation in selected global regions

- Review of the November 2009 telecom reform in Europe and its applicability to the CCK regime
- Review of regulatory reform in selected global regions
- Review emerging paradigm shifts in charging policies given convergence as an important factor
- The need to assess which interconnection regime is appropriate long-term.
- Review the EU Common Position (CP) which assesses Bill & Keep (BaK) as an alternative to the currently used regime for voice in Europe: calling Party Network Pays (CPNP).
- Applicability of reform and best practices to the Kenyan environment
- Review of the current and emerging regulatory changes in Kenya
- Identification of significant gaps
- Alternatives and solutions applicable for Kenya- group presentations identifying alternative ways forward

Scenarios for discussion

- How can content providers be initiated and integrated into the mainstream of the telecom sector or should we remain as “outsiders”
- What does privacy mean in a changing virtual environment and how can it be assured?
- How can the right kinds of openness, net neutrality, quality of service, etc. be identified and promoted?
- How should sufficient bandwidth be provided and allocated across Kenya for a seamless mobile Internet?
- How can/should governance arrangements take into account new Internet ‘public goods’ and ‘public bads?’
- How (if at all) should governments promote or seek to influence Internet architecture development?
- How are concepts of identity as associated institutions and societal conventions affected by the evolution of the Internet, and what kind of Identity management systems does the Kenyan or African development require?
- How much (and what kinds of) trust are needed, and should they be promoted through active investment and trust enhancing activity like trusted 3rd parties; effective cross border (legal) redress and enforcement?



Course content

- To what extent is early and public promotion of common standards desirable; in particular, how can standardisation and innovation be reconciled e.g. by pre-competitive procurement?
- What are the positive and negative effects of (enterprise) interoperability; how can efficient interoperability be strengthened, in particular across borders?
- How can technology and market-based complements to traditional policy be implemented?

Types of licensing

- Individual operator licenses
- General authorisations
- Open entry

Licensing practices

- Transparency
- Public consultation
- Licensing fees
- Qualification criteria
- Selection criteria

Contents of licenses

- Meeting the needs

Costing methodologies

- Principles of incremental costing
- Forward looking economic models (Long Run Incremental Costing methodologies - LRIC)
- Practical application and review of framework
- Best practices in the use of LRIC by regulatory regimes in selected regions

Other issues

- Regulatory approaches to enforcing interconnection in converged environments
- Implementing Service Level Agreements (SLA) and measuring Quality of Service (QoS)
- Reference Interconnect Offers (RIO) in the 21st century
- Principles of wholesale price regulation in telecommunications
- Approaches to determining telco operators' costs - from the chart of accounts to LRIC
- The impact of convergence on price regulation and cost determination
- International best practices in the pricing of interconnection in converged telecommunications environment - the twin legacies of LRIC and BAK
- Significant market power determination and remedies including the need for consistency in the remedies that are imposed
- Need for Kenya to institute cost-based interconnection charges as one way of enhancing competition in the telecommunications industry

Course leader



Zain Khan
B.Chem Eng, B.Comm, CMC.

Zain Khan is an experienced management consultant with over 20 years in telecommunications and information technology. He has consulted extensively for Fortune 100 private and public sectors companies with geographically dispersed company sites throughout North America and globally, private enterprises, telephone companies and other industry-related companies. Although he spent his early years in the United Kingdom training as a chemical engineer, Zain has spent most of his entire adult and professional career in Canada, where he held several management positions with a major carrier, in areas such as sales, marketing, strategic planning, product management, policy development and regulatory support for new products and services including economic evaluations and studies. His current practice areas include strategic planning in ICTs, including technology transformation and implementation, competition and marketing strategy for telecommunications and other businesses, software development, and large security systems. Zain holds degrees in business and engineering and is a Certified Management Consultant (CMC) earned through the Canadian Association of Management Consultants (CAMC).

Hosted by:

Communications Commission of Kenya

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About the CTO

The Commonwealth Telecommunications Organisation (CTO) is an international development partnership between Commonwealth and non-Commonwealth governments, business and civil society organisations.

It provides the international community with effective means to help bridge the digital divide and achieve social and economic development through the use of Information and Communication Technologies (ICT) in the specific areas of Telecommunications, IT, Broadcasting and the Internet.

About the programme for development and training (PDT)

Managed by the CTO, the PDT is a unique low-cost membership programme providing needs-based professional training and capacity building courses on telecommunications policy, regulation, technologies and telecoms business management.

The PDT has delivered over 3600 bilateral training and consultancy projects, covering every aspect of the telecommunications industry, training over 35,000 professionals in 33 countries of the Commonwealth.

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